

Incorporation or Organization) Identification No.)

850 Shades Creek Parkway, Birmingham, Alabama 35209
(Address of Principal Executive Offices) (Zip Code)

(205) 949-0302

(Registrant's Telephone Number, Including Area Code)

Title of each class	Name of exchange on which registered
Common stock, par value \$.001 per share	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or Section 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes x No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes x No "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer " Accelerated filer x Non-accelerated filer " Smaller reporting company "

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Class	Outstanding as of November 1, 2015
Common stock, \$.001 par value	25,903,698

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EX-31.01 SECTION 302 CERTIFICATION OF THE CEO

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EX-32.01 SECTION 906 CERTIFICATION OF THE CEO

EX-32.02 SECTION 906 CERTIFICATION OF THE CFO

PART 1. FINANCIAL INFORMATION**ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS**

SERVISFIRST BANCSHARES, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	September 30, 2015 (Unaudited)	December 31, 2014 (1)
ASSETS		
Cash and due from banks	\$ 50,481	\$ 48,519
Interest-bearing balances due from depository institutions	165,982	248,054
Federal funds sold	26,229	891
Cash and cash equivalents	242,692	297,464
Available for sale debt securities, at fair value	306,666	298,310
Held to maturity debt securities (fair value of \$28,511 and \$29,974 at September 30, 2015 and December 31, 2014, respectively)	27,969	29,355
Restricted equity securities	4,954	3,921
Mortgage loans held for sale	5,387	5,984
Loans	4,044,242	3,359,858
Less allowance for loan losses	(42,574) (35,629
Loans, net	4,001,668	3,324,229
Premises and equipment, net	18,989	7,815
Accrued interest and dividends receivable	12,566	11,214
Deferred tax assets	19,872	15,716
Other real estate owned and repossessed assets	6,068	6,840
Bank owned life insurance contracts	90,964	86,288
Goodwill and other identifiable intangible assets	17,756	-
Other assets	17,050	11,543
Total assets	\$ 4,772,601	\$ 4,098,679
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 1,029,354	\$ 810,460
Interest-bearing	3,015,280	2,587,700
Total deposits	4,044,634	3,398,160
Federal funds purchased	228,415	264,315
Other borrowings	55,728	19,973
Accrued interest payable	2,947	1,940

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Other liabilities	9,683	7,078
Total liabilities	4,341,407	3,691,466
Stockholders' equity:		
Preferred stock, Series A Senior Non-Cumulative Perpetual, par value \$.001 (liquidation preference \$1,000), net of discount; 40,000 shares authorized, no shares issued and outstanding at September 30, 2015 and 40,000 shares issued and outstanding at December 31, 2014	-	39,958
Preferred stock, par value \$.001 per share; 1,000,000 authorized and 960,000 currently undesignated	-	-
Common stock, par value \$.001 per share; 50,000,000 shares authorized; 25,903,698 shares issued and outstanding at September 30, 2015 and 24,801,518 shares issued and outstanding at December 31, 2014	26	25
Additional paid-in capital	210,331	185,397
Retained earnings	215,982	177,091
Accumulated other comprehensive income	4,478	4,490
Total stockholders' equity attributable to ServisFirst Bancshares, Inc.	430,817	406,961
Noncontrolling interest	377	252
Total stockholders' equity	431,194	407,213
Total liabilities and stockholders' equity	\$ 4,772,601	4,098,679

(1) Derived from audited financial statements.

See Notes to Consolidated Financial Statements

SERVISFIRST BANCSHARES, INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except share and per share amounts)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Interest income:				
Interest and fees on loans	\$ 44,401	\$ 34,662	\$ 125,152	\$ 100,164
Taxable securities	1,041	1,131	3,273	3,354
Nontaxable securities	890	877	2,624	2,618
Federal funds sold	32	38	81	118
Other interest and dividends	168	149	394	308
Total interest income	46,532	36,857	131,524	106,562
Interest expense:				
Deposits	3,818	3,123	10,600	9,164
Borrowed funds	852	415	1,814	1,252
Total interest expense	4,670	3,538	12,414	10,416
Net interest income	41,862	33,319	119,110	96,146
Provision for loan losses	3,072	2,748	9,539	7,500
Net interest income after provision for loan losses	38,790	30,571	109,571	88,646
Noninterest income:				
Service charges on deposit accounts	1,279	1,172	3,762	3,097
Mortgage banking	873	582	2,062	1,540
Securities gains	-	3	29	3
Increase in cash surrender value life insurance	683	549	1,991	1,631
Other operating income	987	700	2,560	1,848
Total noninterest income	3,822	3,006	10,404	8,119
Noninterest expenses:				
Salaries and employee benefits	10,595	7,890	30,029	24,685
Equipment and occupancy expense	1,575	1,437	4,870	4,212
Professional services	668	829	1,901	1,877
FDIC and other regulatory assessments	681	533	1,927	1,578
OREO expense	400	220	903	1,005
Merger expense	-	-	2,100	-
Other operating expenses	4,413	4,406	13,566	11,098
Total noninterest expenses	18,332	15,315	55,296	44,455
Income before income taxes	24,280	18,262	64,679	52,310
Provision for income taxes	8,014	4,260	20,889	14,965
Net income	16,266	14,002	43,790	37,345
Preferred stock dividends	33	100	256	316

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Net income available to common stockholders	\$ 16,233	\$ 13,902	\$43,534	\$37,029
Basic earnings per common share	\$ 0.63	\$ 0.56	\$1.70	\$1.57
Diluted earnings per common share	\$ 0.61	\$ 0.54	\$1.65	\$1.51

See Notes to Consolidated Financial Statements

SERVISFIRST BANCSHARES, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income	\$ 16,266	\$ 14,002	\$ 43,790	\$ 37,345
Other comprehensive income (loss), net of tax:				
Unrealized holding gains (losses) arising during period from securities available for sale, net of tax of \$393 and \$3 for the three and nine months ended September 30, 2015, respectively, and \$331 and \$424 for the three and nine months ended September 30, 2014, respectively	729	(614)	7	801
Reclassification adjustment for net gains on sale of securities in net income, net of tax of \$10 for the nine months ended September 30, 2015, and \$1 for the three and nine months ended September 30, 2014,	-	(2)	(19)	(2)
Other comprehensive income (loss), net of tax	729	(616)	(12)	799
Comprehensive income	\$ 16,995	\$ 13,386	\$ 43,778	\$ 38,144

See Notes to Consolidated Financial Statements

SERVISFIRST BANCSHARES, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

(In thousands, except share amounts)

(Unaudited)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interest	Total Stockholders' Equity
Balance, December 31, 2014	\$39,958	\$ 25	\$185,397	\$177,091	\$ 4,490	\$ 252	\$ 407,213
Common dividends paid, \$0.12 per share	-	-	-	(3,089)	-	-	(3,089)
Common dividends declared, \$0.06 per share	-	-	-	(1,554)	-	-	(1,554)
Preferred dividends paid	-	-	-	(256)	-	-	(256)
Issue 636,592 shares of common stock as consideration for Metro Bancshares, Inc. acquisition	-	1	19,355	-	-	-	19,356
Capitalized costs to issue shelf registration	-	-	(73)	-	-	-	(73)
Issue 469,000 shares of common stock upon exercise of stock options	-	-	3,322	-	-	-	3,322
Excess tax benefit on exercise and vesting of stock options	-	-	1,515	-	-	-	1,515
Issue 125 shares of REIT preferred stock	-	-	-	-	-	125	125
Redeem 40,000 shares of Series A Senior Non-Cumulative Perpetual preferred stock	(39,958)	-	(42)	-	-	-	(40,000)
Stock-based compensation expense	-	-	857	-	-	-	857
Other comprehensive income, net of tax	-	-	-	-	(12)	-	(12)
Net income	-	-	-	43,790	-	-	43,790
Balance, September 30, 2015	\$-	\$ 26	\$210,331	\$215,982	\$ 4,478	\$ 377	\$ 431,194
Balance, December 31, 2013	\$39,958	\$ 7	\$123,325	\$130,011	\$ 3,891	\$ -	\$ 297,192
Common dividends paid, \$0.10 per share	-	-	-	(2,369)	-	-	(2,369)

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Common dividends declared, \$0.05 per share	-	-	-	(1,240)	-	-	(1,240)
Preferred dividends paid	-	-	-	(316)	-	-	(316)
3-for-1 common stock split, in the form of a stock dividend	-	17	-	(17)	-	-	-
Issue 1,875,000 shares of common stock, net of issuance cost of \$4,777	-	1	52,097	-	-	-	52,098
Issue 250 shares of REIT preferred stock	-	-	-	-	-	250	250
Exercise 866,400 stock options and warrants, including tax benefit of \$881	-	-	5,972	-	-	-	5,972
Stock-based compensation expense	-	-	3,403	-	-	-	3,403
Other comprehensive income, net of tax	-	-	-	-	799	-	799
Net income	-	-	-	37,345	-	2	37,347
Balance, September 30, 2014	\$39,958	\$ 25	\$ 184,797	\$ 163,414	\$ 4,690	\$ 252	\$ 393,136

See Notes to Consolidated Financial Statements

SERVISFIRST BANCSHARES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

(In thousands) (Unaudited)

	2015	2014
OPERATING ACTIVITIES		
Net income	\$43,790	\$37,345
Adjustments to reconcile net income to net cash provided by:		
Deferred tax benefit	(3,370)	(5,032)
Provision for loan losses	9,539	7,500
Depreciation	1,632	1,497
Accretion on acquired loans	(1,696)	-
Amortization of core deposit intangible	281	-
Net amortization of debt securities available for sale	1,791	2,673
Increase in accrued interest and dividends receivable	(868)	(620)
Stock-based compensation expense	857	3,403
Increase in accrued interest payable	918	1,435
Proceeds from sale of mortgage loans held for sale	112,158	73,979
Originations of mortgage loans held for sale	(109,499)	(73,342)
Gain on sale of debt securities available for sale	(29)	(3)
Gain on sale of mortgage loans held for sale	(2,062)	(1,540)
Net loss on sale of other real estate owned	70	362
Write down of other real estate owned	407	423
Losses on tax credit partnerships	114	-
Increase in cash surrender value of life insurance contracts	(1,991)	(1,631)
Excess tax benefits from exercise of stock options and warrants	(1,515)	(881)
Net change in other assets, liabilities, and other operating activities	(431)	(3,466)
Net cash provided by operating activities	50,096	42,102
INVESTMENT ACTIVITIES		
Purchase of debt securities available for sale	(27,704)	(59,305)
Proceeds from sale of debt securities available for sale	16,738	173
Proceeds from maturities, calls and paydowns of debt securities available for sale	30,831	23,736
Purchase of debt securities held to maturity	(202)	-
Proceeds from maturities, calls and paydowns of debt securities held to maturity	1,588	2,226
Purchase of equity securities	(534)	-
Proceeds from sale of equity securities	-	320
Increase in loans	(538,137)	(305,015)
Purchase of premises and equipment	(4,355)	(1,104)

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Purchase of bank-owned life insurance contracts	-	(15,000)
Expenditures to complete construction of other real estate owned	(118)	-
Proceeds from sale of other real estate owned and repossessed assets	4,611	5,526
Investment in tax credit partnerships	(3,942)	(1,531)
Net cash paid in acquisition of Metro Bancshares, Inc.	(12,383)	-
Net cash used in investing activities	(533,607)	(349,974)
FINANCING ACTIVITIES		
Net increase in noninterest-bearing deposits	171,616	144,097
Net increase in interest-bearing deposits	299,104	189,027
Net (decrease) increase in federal funds purchased	(38,075)	3,850
Repayment of Federal Home Loan Bank advances	(200)	-
Proceeds from sale of common stock, net	-	52,098
Proceeds from sale of preferred stock, net	125	250
Redemption of Series A Senior Non-Cumulative preferred stock	(40,000)	-
Proceeds from issuance of 5% subordinated notes due July 15, 2025	34,750	-
Costs to issue shelf registration	(73)	-
Proceeds from exercise of stock options and warrants	3,322	5,972
Excess tax benefits from exercise of stock options and warrants	1,515	881
Dividends paid on common stock	(3,089)	(2,369)
Dividends paid on preferred stock	(256)	(316)
Net cash provided by financing activities	428,739	393,490
Net (decrease) increase in cash and cash equivalents	(54,772)	85,618
Cash and cash equivalents at beginning of year	297,464	258,415
Cash and cash equivalents at end of year	\$242,692	\$344,033
SUPPLEMENTAL DISCLOSURE		
Cash paid for:		
Interest	\$11,407	\$8,981
Income taxes	20,015	21,543
NONCASH TRANSACTIONS		
Other real estate acquired in settlement of loans	\$1,850	\$1,065
Internally financed sales of other real estate owned	-	675
Dividends declared	1,554	1,240
Fair value of assets and liabilities from acquisition:		
Fair value of tangible assets acquired	\$201,927	\$-
Other intangible assets acquired	18,037	-
Fair value of liabilities assumed	(179,682)	-
Total merger consideration	40,282	-

See Notes to Consolidated Financial Statements

SERVISFIRST BANCSHARES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015

(Unaudited)

NOTE 1 - GENERAL

The accompanying consolidated financial statements in this report have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission, including Regulation S-X and the instructions for Form 10-Q, and have not been audited. These consolidated financial statements do not include all of the information and footnotes required by U.S. generally accepted accounting principles (“U.S. GAAP”) for complete financial statements. In the opinion of management, all adjustments necessary to present fairly the consolidated financial position and the consolidated results of operations for the interim periods have been made. All such adjustments are of a normal nature. The consolidated results of operations are not necessarily indicative of the consolidated results of operations which ServisFirst Bancshares, Inc. (the “Company”) may achieve for future interim periods or the entire year. For further information, refer to the consolidated financial statements and footnotes included in the Company’s Form 10-K for the year ended December 31, 2014. The Company’s wholly-owned subsidiary, ServisFirst Bank, is referred to herein as the “Bank.”

As a result of its acquisition of Metro Bancshares, Inc. (“Metro”) on January 31, 2015, the Company adopted a new critical accounting policy related to goodwill and other identifiable intangible assets during the first quarter of 2015 as follows:

Goodwill and Other Identifiable Intangible Assets – Other identifiable intangible assets include a core deposit intangible recorded in connection with the acquisition of Metro. The core deposit intangible is being amortized over 7 years and the estimated useful life is periodically reviewed for reasonableness.

The Company tests its goodwill for impairment annually unless interim events or circumstances make it more likely than not that an impairment loss has occurred. Impairment is defined as the amount by which the implied fair value of the goodwill is less than the goodwill’s carrying value. Impairment losses, if incurred, would be charged to operating expense. For the purposes of evaluating goodwill, the Company has determined that it operates only one reporting unit.

All reported amounts are in thousands except share and per share data.

NOTE 2 - ACQUISITION

On January 31, 2015, the Company completed its acquisition of Metro and Metro Bank, its wholly-owned bank subsidiary, for an aggregate of \$20.9 million in cash and 636,592 shares of Company common stock. The acquisition of Metro was the Company's entrance into the greater Atlanta, Georgia area with two added banking offices.

The following table provides a summary of the assets acquired and liabilities assumed as recorded by Metro, the fair value adjustments necessary to adjust those acquired assets and assumed liabilities to estimated fair value, and the resultant fair values of those assets and liabilities as recorded by the Company.

	January 31, 2015		
	As recorded by Metro (In Thousands)	Preliminary Fair value adjustment (1)	As recorded by the Company
Assets acquired:			
Cash and cash equivalents	\$8,543	\$ -	\$ 8,543
Debt securities	28,833	(41)a	28,792
Equity securities	499	-	499
Loans	152,869	(3,874)b	148,995
Allowance for loan losses	(1,621)	1,621 b	-
Premises and equipment, net	7,606	831 c	8,437
Accrued interest receivable	484	-	484
Deferred taxes	754	26 d	780
Other real estate owned	2,373	(25)e	2,348
Bank owned life insurance contracts	2,685	-	2,685
Core deposit intangible	-	2,090 f	2,090
Other assets	364	-	364
Total assets acquired	\$203,389	\$ 628	\$ 204,017
Liabilities assumed:			
Deposits	\$175,236	\$ 518 g	\$ 175,754
Federal funds purchased	2,175	-	2,175
Other borrowings	1,400	(4)h	1,396
Accrued interest payable	89	-	89
Other liabilities	268	-	268
Total liabilities assumed	\$179,168	\$ 514	\$ 179,682
Net assets acquired	\$24,221	\$ 114	\$ 24,335
Consideration Paid:			
Cash			\$ (20,926)
Stock			(19,356)
Total consideration paid			(40,282)
Goodwill			\$ 15,947

The Company's acquisition of Metro Bancshares, Inc. closed on January 31, 2015. Accordingly, each of the fair value adjustments shown are preliminary estimates of the purchase accounting adjustments. Management is continuing to evaluate each of these fair value adjustments and may revise one or more of them in future periods based on this continuing evaluation. During the second quarter of 2015, the fair value of other real estate owned (1) was adjusted down by \$280,000 to reflect the price received in an unsolicited offer to buy the property by a third party. During the second quarter of 2015, premises and equipment was written down by \$41,000 to reflect the price received from a third party buyer of a piece of unimproved land held by the Company. To the extent that any of the preliminary fair value adjustments are revised in future periods, the resultant fair values and the amount of goodwill recorded by the Company will change.

Explanation of preliminary fair value adjustments:

- a- Adjustment reflects the fair value adjustment based on the Company's pricing of the acquired debt securities portfolio.
- b- Adjustment reflects the fair value adjustment based on the Company's evaluation of the acquired loan portfolio and to eliminate the recorded allowance for loan losses.
- c- Adjustment reflects the fair value adjustment based on the Company's evaluation of the premises and equipment acquired.
 - d- Adjustment reflects the differences in the carrying values of acquired assets and assumed liabilities for financial statement purposes and their basis for federal income tax purposes.
- e- Adjustment reflects the fair value adjustment based on the Company's evaluation of the other real estate owned acquired.
- f- Adjustment reflects the fair value adjustment for the core deposit intangible asset recorded as a result of the acquisition.
- g- Adjustment reflects the fair value adjustment based on the Company's evaluation of the acquired deposits.
- h- Adjustment reflects the fair value adjustment based on the Company's evaluation of the assumed debt.

The estimated fair value of the purchased credit impaired loans acquired in the Metro transaction on January 31, 2015 was \$5.1 million, which amount is immaterial to the Company's consolidated financial statements.

Pro forma financial information is not provided because such amounts are immaterial to the Company's consolidated financial statements.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash on hand, cash items in process of collection, amounts due from banks, and federal funds sold are included in cash and cash equivalents.

NOTE 4 - EARNINGS PER COMMON SHARE

Basic earnings per common share are computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per common share include the dilutive effect of additional potential common shares issuable under stock options and warrants.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
(In Thousands, Except Shares and Per Share Data)				
Earnings per common share				
Weighted average common shares outstanding	25,883,562	24,761,632	25,636,690	23,539,218
Net income available to common stockholders	\$16,233	\$13,902	\$43,534	\$37,029
Basic earnings per common share	\$0.63	\$0.56	\$1.70	\$1.57
Weighted average common shares outstanding	25,883,562	24,761,632	25,636,690	23,539,218
Dilutive effects of assumed conversions and exercise of stock options and warrants	622,772	964,681	754,410	1,059,032
Weighted average common and dilutive potential common shares outstanding	26,506,334	25,726,313	26,391,100	24,598,250
Net income available to common stockholders	\$16,233	\$13,902	\$43,534	\$37,029
Effect of interest expense on convertible debt, net of tax and discretionary expenditures related to conversion	-	-	-	-
Net income available to common stockholders, adjusted for effect of debt conversion	\$16,233	\$13,902	\$43,534	\$37,029
Diluted earnings per common share	\$0.61	\$0.54	\$1.65	\$1.51

NOTE 5 - SECURITIES

The amortized cost and fair value of available-for-sale and held-to-maturity securities at September 30, 2015 and December 31, 2014 are summarized as follows:

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Market Value
(In Thousands)				
September 30, 2015				
Securities Available for Sale				
U.S. Treasury and government sponsored agencies	\$50,508	\$1,084	\$ (71)	\$51,521
Mortgage-backed securities	89,722	2,845	(46)	92,521
State and municipal securities	143,664	3,052	(92)	146,624
Corporate debt	15,884	116	-	16,000
Total	299,778	7,097	(209)	306,666
Securities Held to Maturity				
Mortgage-backed securities	22,211	382	(257)	22,336
State and municipal securities	5,758	423	(6)	6,175
Total	\$27,969	\$805	\$ (263)	\$28,511

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December 31, 2014

Securities Available for Sale

U.S. Treasury and government sponsored agencies	\$50,363	\$ 775	\$ -	\$51,138
Mortgage-backed securities	92,439	3,095	(11)	95,523
State and municipal securities	132,780	3,211	(328)	135,663
Corporate debt	15,821	165	-	15,986
Total	291,403	7,246	(339)	298,310
Securities Held to Maturity				
Mortgage-backed securities	23,804	449	(320)	23,933
State and municipal securities	5,551	490	-	6,041
Total	\$29,355	\$ 939	\$ (320)	\$29,974

The amortized cost and fair value of debt securities as of September 30, 2015 by contractual maturity are shown below. Actual maturities may differ from contractual maturities of mortgage-backed securities since the mortgages underlying the securities may be called or prepaid with or without penalty. Therefore, these securities are not included in the maturity categories along with the other categories of debt securities.

	September 30, 2015		December 31, 2014	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)			
Debt securities available for sale				
Less than one year	\$21,289	\$ 21,450	\$ 16,944	\$ 17,246
One year to five years	145,941	148,960	121,591	123,962
Five years to ten years	42,009	42,891	60,079	61,221
More than ten years	817	844	350	358
Mortgage-backed securities	89,722	92,521	92,439	95,523
	\$299,778	\$ 306,666	\$291,403	\$ 298,310
Debt securities held to maturity				
Due from five to ten years	\$627	\$ 653	\$298	\$ 325
Due after ten years	5,131	5,522	5,253	5,716
Mortgage-backed securities	22,211	22,336	23,804	23,933
	\$27,969	\$ 28,511	\$29,355	\$ 29,974

The Company sold 18 of the 36 debt securities acquired in the Metro transaction in the period just following the acquisition closing date to align maturity structure. The fair value of these securities was assumed to be the amount for which they were sold, and therefore no gain or loss was recognized on these sales. The Company sold one mortgage-backed debt security from its legacy portfolio during the first quarter of 2015 and recognized a gain of \$29,000.

All mortgage-backed securities are with government-sponsored enterprises (GSEs) such as Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Corporation.

The following table identifies, as of September 30, 2015 and December 31, 2014, the Company's investment securities that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 or more months. At September 30, 2015, 23 of the Company's 753 debt securities had been in an unrealized loss position for 12 or more months. The Company does not intend to sell these securities and it is more likely than not that the Company will not be required to sell the securities before recovery of their amortized cost, which may be maturity; accordingly, the Company does not consider these securities to be other-than-temporarily impaired at September 30, 2015. Further, the Company believes any deterioration in value of its current investment securities is attributable to changes in market interest rates and not credit quality of the issuer.

Less Than Twelve Months	Twelve Months or More	Total
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	Gross Unrealized Losses Fair Value (In Thousands)		Gross Unrealized Losses Fair Value		Gross Unrealized Losses Fair Value	
September 30, 2015						
U.S. Treasury and government sponsored agencies	\$(71)	\$ 3,939	\$ -	\$ -	\$(71)	\$ 3,939
Mortgage-backed securities	(44)	2,625	(259)	13,441	(303)	16,066
State and municipal securities	(53)	12,651	(45)	4,403	(98)	17,054
Corporate debt	-	-	-	-	-	-
Total	\$(168)	\$ 19,215	\$ (304)	\$ 17,844	\$(472)	\$ 37,059
December 31, 2014						
U.S. Treasury and government sponsored agencies	\$-	\$ -	\$ -	\$ -	\$-	\$ -
Mortgage-backed securities	-	-	(331)	17,751	(331)	17,751
State and municipal securities	(162)	19,945	(166)	10,820	(328)	30,765
Corporate debt	-	-	-	-	-	-
Total	\$(162)	\$ 19,945	\$ (497)	\$ 28,571	\$(659)	\$ 48,516

NOTE 6 – LOANS

The following table details the Company's loans at September 30, 2015 and December 31, 2014:

	September 30, 2015		December 31, 2014	
	(Dollars In Thousands)			
Commercial, financial and agricultural	\$1,671,014		\$ 1,495,092	
Real estate - construction	232,895		208,769	
Real estate - mortgage:				
Owner-occupied commercial	978,721		793,917	
1-4 family mortgage	417,011		333,455	
Other mortgage	677,822		471,363	
Subtotal: Real estate - mortgage	2,073,554		1,598,735	
Consumer	66,779		57,262	
Total Loans	4,044,242		3,359,858	
Less: Allowance for loan losses	(42,574)		(35,629)	
Net Loans	\$4,001,668		\$ 3,324,229	
Commercial, financial and agricultural	41.32	%	44.50	%
Real estate - construction	5.76	%	6.21	%
Real estate - mortgage:				
Owner-occupied commercial	24.20	%	23.63	%
1-4 family mortgage	10.31	%	9.92	%
Other mortgage	16.76	%	14.03	%
Subtotal: Real estate - mortgage	51.27	%	47.58	%
Consumer	1.65	%	1.71	%
Total Loans	100.00	%	100.00	%

The credit quality of the loan portfolio is summarized no less frequently than quarterly using categories similar to the standard asset classification system used by the federal banking agencies. The following table presents credit quality indicators for the loan loss portfolio segments and classes. These categories are utilized to develop the associated allowance for loan losses using historical losses adjusted for current economic conditions defined as follows:

Pass – loans which are well protected by the current net worth and paying capacity of the obligor (or obligors, if any) or by the fair value, less cost to acquire and sell, of any underlying collateral.

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Special Mention – loans with potential weakness that may, if not reversed or corrected, weaken the credit or inadequately protect the Company’s position at some future date. These loans are not adversely classified and do not expose an institution to sufficient risk to warrant an adverse classification.

Substandard – loans that exhibit well-defined weakness or weaknesses that currently jeopardize debt repayment. These loans are characterized by the distinct possibility that the institution will sustain some loss if the weaknesses are not corrected.

Doubtful – loans that have all the weaknesses inherent in loans classified substandard, plus the added characteristic that the weaknesses make collection or liquidation in full on the basis of currently existing facts, conditions, and values highly questionable and improbable.

Loans by credit quality indicator as of September 30, 2015 and December 31, 2014 were as follows:

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September 30, 2015	Pass	Special Mention	Substandard	Doubtful	Total
	(In Thousands)				
Commercial, financial and agricultural	\$ 1,601,109	\$ 55,877	\$ 14,028	\$ -	\$ 1,671,014
Real estate - construction	222,200	6,051	4,644	-	232,895
Real estate - mortgage:					
Owner-occupied commercial	951,547	19,307	7,867	-	978,721
1-4 family mortgage	410,247	3,984	2,780	-	417,011
Other mortgage	659,394	13,086	5,342	-	677,822
Total real estate mortgage	2,021,188	36,377	15,989	-	2,073,554
Consumer	66,702	44	33	-	66,779
Total	\$ 3,911,199	\$ 98,349	\$ 34,694	\$ -	\$ 4,044,242

December 31, 2014	Pass	Special Mention	Substandard	Doubtful	Total
	(In Thousands)				
Commercial, financial and agricultural	\$ 1,459,356	\$ 25,416	\$ 10,320	\$ -	\$ 1,495,092
Real estate - construction	197,727	5,332	5,710	-	208,769
Real estate - mortgage:					
Owner-occupied commercial	784,492	6,848	2,577	-	793,917
1-4 family mortgage	326,316	4,253	2,886	-	333,455
Other mortgage	457,782	9,015	4,566	-	471,363
Total real estate mortgage	1,568,590	20,116	10,029	-	1,598,735
Consumer	56,559	37	666	-	57,262
Total	\$ 3,282,232	\$ 50,901	\$ 26,725	\$ -	\$ 3,359,858

Loans by performance status as of September 30, 2015 and December 31, 2014 were as follows:

September 30, 2015	Performing	Nonperforming	Total
	(In Thousands)		
Commercial, financial and agricultural	\$1,666,626	\$ 4,388	\$1,671,014
Real estate - construction	228,895	4,000	232,895
Real estate - mortgage:			
Owner-occupied commercial	978,600	121	978,721
1-4 family mortgage	416,184	827	417,011
Other mortgage	676,820	1,002	677,822
Total real estate mortgage	2,071,604	1,950	2,073,554
Consumer	66,743	36	66,779
Total	\$4,033,868	\$ 10,374	\$4,044,242

December 31, 2014	Performing	Nonperforming	Total
	(In Thousands)		
Commercial, financial and agricultural	\$1,493,995	\$ 1,097	\$1,495,092
Real estate - construction	203,720	5,049	208,769
Real estate - mortgage:			
Owner-occupied commercial	793,234	683	793,917
1-4 family mortgage	331,859	1,596	333,455
Other mortgage	470,404	959	471,363
Total real estate mortgage	1,595,497	3,238	1,598,735
Consumer	56,596	666	57,262
Total	\$3,349,808	\$ 10,050	\$3,359,858

Loans by past due status as of September 30, 2015 and December 31, 2014 were as follows:

September 30, 2015	Past Due Status (Accruing Loans)			Total Past Due	Non-Accrual	Current	Total Loans
	30-59 Days (In Thousands)	60-89 Days	90+ Days				
Commercial, financial and agricultural	\$13	\$ -	\$ 49	\$ 62	\$ 4,339	\$1,666,613	\$1,671,014
Real estate - construction	-	-	-	-	4,000	228,895	232,895
Real estate - mortgage:							
Owner-occupied commercial	34	-	-	34	121	978,566	978,721
1-4 family mortgage	50	154	472	676	355	415,980	417,011
Other mortgage	1,401	-	-	1,401	1,002	675,419	677,822
Total real estate - mortgage	1,485	154	472	2,111	1,478	2,069,965	2,073,554
Consumer	17	-	3	20	33	66,726	66,779
Total	\$1,515	\$ 154	\$ 524	\$ 2,193	\$ 9,850	\$4,032,199	\$4,044,242

December 31, 2014	Past Due Status (Accruing Loans)			Total Past Due	Non-Accrual	Current	Total Loans
	30-59 Days (In Thousands)	60-89 Days	90+ Days				
Commercial, financial and agricultural	\$1,388	\$ 3,490	\$ 925	\$ 5,803	\$ 172	\$1,489,117	\$1,495,092
Real estate - construction	-	-	-	-	5,049	203,720	208,769
Real estate - mortgage:							
Owner-occupied commercial							